

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
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RIMU CAPITAL LTD., et al.,

Plaintiffs,

-v-

JASON ADER, et al.,

Defendants.
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23-cv-05065 (LJL)

ORDER

LEWIS J. LIMAN, United States District Judge:

For the reasons stated during the conference held on December 12, 2024 and based in part on the agreement that there is no dispute as to the adequacy of service of the motions to dismiss filed at Dkt. Nos. 192, 195, the Court grants the renewed motions from Kimberly A. Morgan and Andrew Matthew Lieb to withdraw as counsel for Defendants Jason Ader, SpringOwl Asset Management LLC, SpringOwl Associates LLC, Ader Fund Management LLC, SpringOwl Special Opportunities Fund LP, and 826 Capital Holdings, LLC (the “Ader Defendants”) under Local Rule 1.4, *See* Dkt. Nos. 182, 185.

The Court stays this action until December 26, 2024, in order for the Ader Defendants to obtain new counsel. The Ader Defendants’ time to respond to any outstanding discovery requests (where the time has not yet expired) is extended to January 10, 2025. This Order does not extend the date to respond to requests that have already expired or relieve the Ader Defendants with respect to any already-expired deadlines. Any proposed modifications to the existing Amended Case Management Plan and Scheduling Order, Dkt. No. 158, shall be filed no later than January 10, 2025. The Court modifies the November 14, 2024 Order, *see* Dkt. No. 179, extending the date by which production of documents may be demanded pursuant to third-

party subpoenas to December 26, 2024 (except for the subpoena directed to Northern Trust International Banking Corp.) Nothing in this Order shall stay, extend, or otherwise affect the response to the subpoena previously served by Plaintiff upon Northern Trust International Banking Corp.

Besides Jason Ader, the remaining Ader Defendants are corporate entities. Corporations may not appear in court without an attorney. *Rowland v. Cal. Men's Colony, Unit II Men's Advisory Council*, 506 U.S. 194, 202–03 (1993) (noting that courts do not allow corporations, partnerships, associations, and other “artificial entities” to appear in court without an attorney). “[S]hareholders and members of limited liability companies—even sole shareholders and sole members—do not have standing to sue for wrongs to the corporate entity.” *RIGroup LLC v. Trefonisco Mgmt. Ltd.*, 949 F. Supp. 2d 546, 552 (S.D.N.Y. 2013), *aff'd*, 559 F. App'x 58 (2d Cir. 2014). Mr. Ader may represent himself in this matter as an individual named defendant, but he may not represent SpringOwl Asset Management LLC, SpringOwl Associates LLC, Ader Fund Management LLC, SpringOwl Special Opportunities Fund LP, and 826 Capital Holdings, LLC. The failure of counsel to appear on behalf of the corporate entities may give rise to default on their part.

SO ORDERED.

Dated: December 13, 2024
New York, New York



LEWIS J. LIMAN
United States District Judge